The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC 04996-87 7 December 1987

MEMORANDUM FOR:

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FROM:

Acting National Intelligence Officer for Latin America

SUBJECT:

December 1987 Latin America Warning and Forecast Meeting

- 1. The December 1987 Latin American Warning Meeting will be held on Wednesday, 16 December 1987 at 1015 hours in Room 7E32, CIA Headquarters. Invited agencies and components should please keep their representatives to a necessary minimum because of space limitations.
  - 2. The following topics/countries will be discussed:

Nicaragua: Ongoing peace talks have done little to diminish combat levels over the past month as fighting remained intense in central and northern Nicaragua. The insurgents have hit a number of infrastructure targets and claim to have routed two Sandinista counterinsurgency battalions. Regime forces have maintained the pursuit, but have failed in their efforts to encircle rebel forces operating in the northwest. The Sandinistas also are apparently increasing activity along the Honduran border. What is the status of the fighting? How long can the rebels sustain their current operating levels with the supplies on hand or on order? What is the likelihood of a major Sandinista incursion in Honduras in coming weeks? (DIA 15 minutes)

Brazil: President Sarney has been under mounting pressures from across a broad spectrum of Brazilian political and economic elites in recent weeks. His fragile coalition has unraveled and his presidential term has been cut from five to four years, despite intense lobbying efforts. Moreover, Brazilian industrialists have been critical of his handling of the informatics issue and blame Sarney for souring bilateral economic relations with the United States. This pressure appears to be

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taking a toll on the President's mental and physical capacities, and he is reportedly considering resigning. Does Sarney have the political strength to cope with the challenges he must deal with in the next few months? If so, what steps are likely, and if not, how will the leadership void be filled? Is Sarney likely to step aside? Under what conditions would the military intervene? What are the implications of recent developments for bilateral relations with the US? (CIA/ALA 20 minutes)

- El Salvador. President Duarte's domestic position--bolstered recently by his handling of the regional peace talks--is facing renewed pressure from both the left and the right. Two recently returning rebel political leaders have refused to meet demands that they disassociate themselves from the armed insurgents and continue to emphasize traditional guerrilla demands, including power sharing. Right-wing hardliners have criticized Duarte for allowing them to reenter El Salvador, and they are angry over the President's charges that Roberto D'Aubuisson was the author of the 1980 murder of Archbishop Romero. Political killings--apparently perpetrated by the right--are also increasing. Moreover, Duarte's ruling Christian Democrats are badly divided over government policy directions. Are the rebel political leaders likely to break with their armed wing? What is the likelihood of a major revival of right-wing death squads? Are there any indications of eroding support for Duarte in the military? How are opposition parties reacting to recent developments? (CIA/ALA 20 minutes)
- Haiti. Tensions remain high in the wake of the aborted elections. The current military leadership remains committed to holding to the transition schedule and is moving ahead with plans for another election. These moves have done little to restore the credibility of regime leaders—street violence persists and opposition political leaders continue to call for strikes and demonstrations. Are elections likely to be held? What are the prospects for widespread violence? Are there any indications of rifts within the military? Do Namphy and Regala remain secure in their positions? Will the security forces be willing and able to contain the unrest? (State/INR 20 minutes)
- 3. Because we will be discussing four countries, it is essential that representation be kept to a minimum. To the extent possible, representatives should plan on attending only during relevant portions of the meeting.

4. Please have your names, social security numbers and clearances by noon, 15 December 1987. The new
Headquarters Visitor Control Center is now opened at the Route 123
entrance. In order to process all visitors at this entrance, it is
imperative we receive the above information by noon, 15 December.
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